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8 UNITED STATES BANKRUPTCY COURT

9 FOR THE DISTRICT OF ARIZONA

10 In re

11 ARA MACAO HOLDINGS, L.P.,

12 Debtor.

Chapter 11

Case No.: 3:18-bk-03615-PS

**MOTION TO APPOINT COMMITTEE OF
LIMITED PARTNERS**

13 Ara Macao Holdings, L.P., Debtor and Debtor-in-Possession (“**Debtor**”), hereby files
14 this Motion to Appoint Committee of Limited Partners (the “**LP Committee Motion**”). This LP
15 Committee Motion is supported by the record of this Bankruptcy Case and by the following
16 Memorandum of Points and Authorities.

17 **MEMORANDUM OF POINTS AND AUTHORITIES**

18 **I. JURISDICTION**

19 1. This case was initiated as an involuntary proceeding filed on April 6, 2018 (the
20 “**Petition Date**”) by KB Partners I, L.P., Christopher de Sibert, Daniel Dorgan, Gary Nitsche,
21 Richard Umbach and Edgewater Resources, LLC (“**Petitioning Creditors** under chapter 11 of
22 Title 11 of the United States Code (the “**Bankruptcy Code**”).

23 2. On or about May 8, 2018, the involuntary proceeding was converted to a voluntary
24 Chapter 11 proceeding [DE 18].

25 3. The Debtor continues to operate its business and manage its assets as a debtor in
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possession in accordance with sections 1107 and 1108 of the Bankruptcy Code.

4. The Court has jurisdiction over the Bankruptcy Cases under 28 U.S.C. §§ 157 and 1334.

5. This matter presents a core proceeding under 28 U.S.C. § 157(b)(2).

6. No trustee or examiner has been appointed in the Bankruptcy Cases, nor has an official committee of unsecured creditors been established.

II. BACKGROUND

12. Debtor is a limited partnership formed in Illinois in 2004.

13. The primary asset of Debtor includes an approximately 616 acre parcel of prime developable resort property in Belize (the "**Property**"), which includes nearly one mile of Caribbean beachfront. The Property (with title held in escrow) was fully paid for in 2007.

15. The Property is located near Francis Ford Coppola's landmark and luxurious Turtle Inn in Belize.

16. Although the Property has not been fully developed, Debtor and its management have been working on obtaining necessary approvals, securing funding, and attracting joint venture partners including, without limitation, environmental clearance and approvals to subdivide the Property from agencies of the Belizean government issued on March 23, 2017.

17. Debtor believes that the Property has substantial value based on a November 2015 appraisal valuing the Property at \$37,255,468 "as is" and \$61,000,000 improved.

18. There are currently approximately 90 limited partners in Debtor, with collective investments totaling nearly \$9 million.

III. RELIEF REQUESTED

19. Because of the number of limited partners in Debtor, the aggregate amount of the investments and the divergence of interest between the limited partners and the creditors of Debtor's bankruptcy estate, Debtor believes that it would be appropriate to appoint a committee of limited partners. Such a committee would insure that the limited partners could participate in the activities of this bankruptcy case and be well informed of events as they occur. Some limited partners are also creditors of the estate and a committee would avoid confusion and conflicts of

1 interest. A committee would also be cost effective for the limited partners many of whom are out
2 of state and are not able logistically or economically to adequately represent their respective
3 interests. Finally, a committee would insure that the input of the limited partners is timely
4 presented to and may be considered by the Court as circumstances warrant.

5 WHEREFORE, Debtor respectfully requests that the Court enter an order authorizing the
6 appointment of a committee of limited partners, directing the appointment of such a committee,
7 and granting such other and further relief it deems just and proper.

8 DATED this 7th day of June 2018.

9 **BURCH & CRACCHIOLO, P.A.**

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11 By /s/ Alan A. Meda (#009213)
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13 *Attorneys for Ara Macao Holdings, L.P.*
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